

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
)	
Revision of the Commission's Rules to Ensure)	CC Docket No. 94-102
Compatibility with Enhanced 911 Emergency)	
Calling Systems)	
)	
Petition for Enhanced 911 Phase II Waiver by)	
Leaco Rural Telephone Cooperative, Inc.)	

To: The Commission

**Leaco Rural Telephone Cooperative, Inc. First Quarterly Handset Penetration
Status Report**

Leaco Rural Telephone Cooperative, Inc. ("Leaco"), by its attorneys and pursuant to the Federal Communications Commission's ("FCC or Commission") December 12, 2005 *Order* in the above captioned proceeding,¹ hereby submits its first quarterly report on the status of its compliance with the ninety-five percent handset penetration requirement set forth in section 20.18(g)(1)(v) of the Commission's rules.

I. Number and status of Phase II requests from PSAPs.

Leaco has not received any requests for Phase II enhanced 911 ("E911") service from any public safety answering points ("PSAPs"). As indicated in previous submissions to the Commission, based upon communications from public safety officials in the State of New Mexico, Leaco does not expect to receive any requests for Phase II service prior to December 2006 due to the fact that local PSAPs are not expected to be capable of handling and processing Phase II information before that date.

II. Estimated dates on which Phase II service will be available to PSAPs served by its network.

Phase II service will be available to any requesting PSAPs served by Leaco's network within six months following receipt of a request for such service as required by section 20.18(g)(2) of the Commission's rules.

¹ See Revision of the Commission's Rules to Ensure Compatibility with Enhanced 911 Emergency Calling Systems, CC Docket No. 94-102, *Order*, released December 12, 2005.

III. Status of coordination efforts with PSAPs for alternative 95% handset penetration dates.

Leaco has been, and continues to be, in regular contact with New Mexico public safety officials in connection with coordinating implementation of wireless E911 (Phase I and Phase II) service throughout the state. This includes ongoing contacts with both the state E911 coordinator as well as county public safety officials. New Mexico public safety officials have been informed of Leaco's plans to deploy location-capable CDMA handsets.

IV. Efforts to encourage customers to upgrade to location-capable handsets.

Leaco has developed a marketing plan to encourage customers to upgrade to location-capable handsets. The highlights of this plan are as follows:

- Only location-capable phones will be sold after completion of the CDMA overlay. At that time one hundred percent of the CDMA handsets that Leaco activates will have the GPS chipset
- Leaco will begin to offer nationwide calling plans that are available only to CDMA customers. All new plans will be geared toward and offered only to CDMA customers.
- Newly constructed cell sites will support CDMA only and not TDMA. Thus, CDMA service will continue to improve while TDMA/AMPS service will not, providing customers with additional incentives to switch to CDMA phones.
- Last August at the Lea County State Fair, Leaco offered coupons to people signing up for service that entitled them to be the very first recipients of CDMA handheld phones. Leaco also plans to offer customers that purchase certain phones the opportunity to exchange their phone for a new CDMA phone with no installation costs within 30 days of the CDMA rollout.
- Leaco plans to offer external antennas free of charge as well as an upgraded equipment protection plan to anyone bringing in their analog phone and exchanging it for a CDMA phone.
- Leaco plans to undertake periodic promotions that offer 30-days free monthly service and other free features, such as voice mail and caller ID, to customers that upgrade to CDMA service.
- Leaco plans to offer 30-days free data services to anyone purchasing a camera/internet-capable CDMA phone.

- Leaco will inform customers of these promotions and incentives using billing inserts, radio ads, newspaper ads, Leaco's monthly newsletter, Leaco's website and direct mail.
- Leaco anticipates that there will be a number of extremely rural customers (including oil company workers) that will be reluctant to exchange their higher power analog bag phones for CDMA digital phones. Leaco is in the process of identifying companies that rely on bag phones and will partner with them to educate users about the benefits that CDMA technology offers, such as the ability to use laptops for daily business operations in a completely mobile environment, as well as features such as text messaging and the ability to send and receive email while out in the field even without access to a lap top computer.
- Leaco is investigating the possibility of making available boost kits that are designed for CDMA phones for oil workers and other users of bag phones that are located in remote areas. Leaco is planning to order a limited number of these kits for testing. Based on the results of such testing, this may be an acceptable means to overcome the objections of die-hard bag phone users by allowing them to have CDMA coverage that is near or equal to the coverage they received with their analog bag phones.

V. Extent of subscribers located in areas with analog service only.

Leaco has approximately 5700 customers in rural New Mexico. Due to limitations inherent in its billing system, which is in the process of being replaced, Leaco is unable to provide an exact number of analog customers or the number of such customers residing in, or taking service in, areas with analog service only. Based upon information obtained from its mobile switch, Leaco estimates that approximately 1,300 of its customers (23%) are analog customers.

VI. Percentage of customers with location-capable phones.

As indicated above, Leaco will not activate CDMA handsets until CDMA service is available.

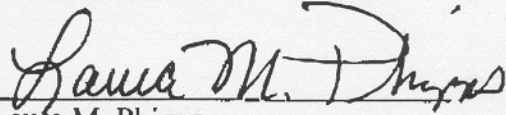
VII. Detailed information on status in achieving compliance.

As soon as the CDMA service is available, Leaco will begin selling and activating CDMA handsets. At that time, Leaco can assess penetration levels. As discussed above, Leaco has an extensive marketing plan which it expects will allow it to rapidly increase penetration and hopefully meet the December 12, 2006 deadline.

DECLARATION OF LAURA M. PHIPPS

I, Laura M. Phipps, do hereby declare under penalty of perjury the following:

1. I am the General Manager of Leaco Rural Telephone Cooperative, Inc.
2. I have read the foregoing "Leaco Rural Telephone Cooperative, Inc. First Quarterly Handset Penetration Status Report." I have personal knowledge of the facts set forth therein, and believe them to be true and correct.


Laura M. Phipps

1-31-06
Date